

## Message Text

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13

ORIGIN EB-05

INFO OCT-01 EUR-06 ISO-00 SS-15 SSO-00 CCO-00 /027 R

DRAFTED BY:EB/ORF:LBUTCHER

APPROVED BY:EB/ORF/ICD JJINGERSOLL

S/S-O:PSARROS

----- 002878

R 020449Z MAY 74

FM SECSTATE WASHDC

TO AMEMBASSY BRUSSELS

C O N F I D E N T I A L STATE 090059

TOTAS 9

FOLLOWING JIDDA 2340 SENT ACTION STATE INFO AMMAN BERN  
BRUSSELS CARACAS DHAHRAN GENEVA JAKARTA KHARTOUM KUWAIT LAGOS  
LIBREVILLE LONDON OECD PARIS PORT OF SPAIN TEHRAN TOKYO TRIPOLI  
QUITO VIENNA TEL AVIV BEIRUT CAIRO BAGHDAD MAY 1 RPT TO  
YOU QUOTE

C O N F I D E N T I A L JIDDA 2340

E.O.: 11652: GDS

TAGS: ENRG, SA

SUBJ: PETROLEUM: PRICE/PRODUCTION

REF : A. JIDDA 2022 (NOTAL)

B. VIENNA 3738 (NOTAL)

1. EMBASSY HAS LEARNED THAT MODEL OF PRICE/PRODUCTION  
LEVELS THROUGH NEXT TEN YEARS ORDERED BY CENTRAL PLAN-  
NING ORGANIZATION FROM STANFORD RESEARCH (REFTEL A) ALSO  
INCLUDES FOLLOWING TENTATIVE CONCLUSIONS: LEVELS OF SAUDI  
PRODUCTION TO MAXIMIZE VALUE OF OIL IN RESERVOIRS MAY BE  
AS LOW AS THREE MILLION B/D AND NO HIGHER THAN 8 MILLION  
B/D. STUDY KEYED TO EFFECTS OF DIFFERING LEVELS ON PRICE  
STRUCTURE WORLDWIDE. OPEC SOURCES (AND PERHAPS EVEN SOME  
OF SAUDI OIL EXPERTS) PROBABLY ARE UNAWARE OF EXISTENCE  
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OF 500-PAGE STUDY. STUDY IS NOW BEING REVIEWED BY A FOREIGN

CONSULTANT TO SAUDI GOVERNMENT WHO IS CHECKING PROGRAM-  
MING AND RATIONALIZATION OF LEVELS OF PRODUCTION EX-  
PECTED FROM OTHER PRODUCERS.

2. COPY OF STUDY HAS FALLEN INTO HANDS OF EXXON IN NEW  
YORK WHO ARE REPORTEDLY FURIOUS OVER CONCLUSIONS. WE  
ARE ALSO MOST CONCERNED.  
AKINS UNQUOTE RUSH

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** POLICIES, PETROLEUM, NATURAL RESOURCES, ECONOMIC DEVELOPMENT, CENTRAL GOVERNMENT, PRICES, FOREIGN INVESTMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 02 MAY 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Drafter:** EB/ORF:LBUTCHER  
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**Film Number:** D740104-1118  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740579/aaaactav.tel  
**Line Count:** 69  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN EB  
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**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PETROLEUM: PRICE/PRODUCTION  
**TAGS:** ENRG, SA  
**To:** BRUSSELS  
**Type:** TE  
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